



IDAHO NATIONAL GUARD ECONOMIC IMPACT STUDY

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Bootstrap Solutions

with Dr. Tom Harris
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TODAY'S OBJECTIVES

1. Review baseline results of IDNG economic impacts study
2. Present results of four components
 - A. Idaho Army National Guard
 - B. Idaho Air National Guard
 - C. Idaho Military Division
 - D. Average IDARNG Construction Activity
3. Review DP-58 Analysis

WHAT ARE ECONOMIC IMPACTS?

Direct Impacts

Direct IDNG Expenditures

- Within the Region

Indirect impacts

Supply Chain Impacts

- Forward & Backward linkages

Induced Impacts

Household Consumption

- Purchases with direct and indirect employee wages

= Total Economic Impacts

MEASURING DIRECT IMPACTS

- ✘ Obtain spending on these categories
 1. Personnel Costs
 2. Facility Operating Costs
 3. Equipment Operating Costs
 4. Cooperative Agreements
 5. Local Spending by Visiting Units
- ✘ Estimate One-Time Capital Expenditures
- ✘ Separate out Local Expenditures

FY2017 IDARNG Idaho Statewide Combined Personnel Budget

Type	Number	Total
State Technician	167	\$9,961,137
Federal Technician (inc Title 5 employees)	479	\$43,353,811
Federal Contract Employees	68	\$3,968,917
Military	3,065	
Active Duty Special Work (ADSW)	84	\$4,210,240
Active Guard and Reserve (AGR)	387	\$37,119,247
Total Full Time Mobilization Augmentee (FTMA)	0	\$0
Mobilized Traditional Soldier (M-Day Mob)	46	\$3,142,890
Traditional Soldier Not Mobilized (M-Day) and	2,491	\$18,408,554
Traditional Soldier Active Duty for Training (M-Day ADT)	57	\$846,512
Non-Appropriated Fund Employees (NAFE)	63	\$635,752
State Education Assistance Program (SEAP) benefits		\$190,000
Federal Tuition Assistance Program		\$524,000
TOTAL JOBS	3,842	\$122,361,059
Total Personnel	3,196	

IDARNG ARMORIES OUTSIDE GOWEN FIELD

Idaho Army National Guard Facilities Outside Ada County

Location	Title	Address	Zone
1 Post Falls	FMS 7	5453 E. Seltice Way Post Falls, ID 83854	11
2 Moscow Armory	Armory	1011 Harold St. Moscow, ID 83843	11
3 Orofino Armory	Armory	10210 Highway 12 Box 1461 Orofino ID, 83544	11
4 Lewiston	FMS 1	2707 16th Ave. Lewiston, ID 83501	11
5 Grangeville Armory	Armory	105 NE 4th St. Grangeville, ID 83530	11
6 Payette Armory	Armory	1921 Center Ave. Payette, ID 83661	11
7 Emmette Armory	Armory	2175 S. Johns Ave. Box 368 Emmett, ID 83617	11
8 Wilder Armory	Armory	20675 Gravelly Ln. Wilder, ID 83676	11
9 Caldwell Armory RC	Armory	1200 S. Kimball Caldwell, ID 83605	11
10 Caldwell	FMS 2	700 W Warehouse St. Caldwell, ID 83605	11
11 Nampa	FMSS 2	212 N Kings Rd. Nampa, ID 83687	11
12 Gooding Armory	Armory	417 N Main St. Gooding, ID 83330	11
13 Jerome	FMS 4	125 2nd Ave. E Jerome, ID 83338	11
14 Jerome Armory	Armory	601 2nd Ave. W Jerome, ID 83338	11
15 Twin Falls Armory	Armory	1069 Frontier Rd. Twin Falls, ID 83301	11
16 Burley Armory	Armory	1059 Airport Way Burley, ID 83318	12
17 Rupert Armory	Armory		12
18 Preston Armory	Armory	594 N State St. Preston, ID 83263	12
19 Pocatello	FMS 5	10714 Fairgrounds Rd. Pocatello, ID 83202	12
20 Blackfoot Armory	Armory	260 Rich Ln. Blackfoot, ID 83221	12
21 Idaho Falls	FMS 6	575 W 21st St. Idaho Falls, ID 83402	12
22 Rigby Armory	Armory	165 W 2nd St. Rigby, ID 83442	12
23 Rexburg Armory	Armory	330 W 7th S Rexburg, ID 83440	12
24 St. Anthony Armory	Armory	1003 W Main St. Saint Anthony, ID 83445	12

IDARNG Total Operations & Maintenance Costs

FY 2012-16 Average

	Total Cost	Labor Costs	Material Costs
Facility Engineering Services	\$451,934	\$155,985	\$295,949
Master Planning	\$265,884	\$240,453	\$25,430
Real Property Services	\$10,682	\$10,682	\$0
Grounds Services	\$338,010	\$325,315	\$12,694
Janitorial Services	\$155,177	\$132,302	\$22,875
Indoor/Outdoor Pest Control	\$30,352	\$29,199	\$1,153
Refuse Service	\$127,708	\$127,708	\$0
Fire Services	\$533,822	\$32,508	\$501,315
Leases	\$210,897	\$210,897	\$0
Snow Removal	\$7,455	\$7,455	\$0
Replacement Barracks Furniture	\$97,991	\$0	\$97,991
Milcon Tails	\$475,011	\$0	\$475,011
Building Maintenance	\$7,421,211	\$7,143,808	\$277,403
Restoration and Modernization Proje	\$5,098,876	\$5,098,876	\$0
Building O&M Sub Total	\$15,225,009	\$13,515,188	\$1,709,821
A&E Planning & Deisign Type A	\$626,331	\$626,331	\$0
A&E Supervision, Inspr & Admin	\$123,095	\$123,095	\$0
Planning & Design SubTotal	\$749,426	\$749,426	\$0
Water	\$224,122	\$0	\$224,122
Wast Water	\$40,456	\$0	\$40,456
Electricity	\$1,081,648	\$0	\$1,081,648
Natural Gas	\$401,809	\$0	\$401,809
Propane/Fuel Oil	\$26,273	\$0	\$26,273
Celluar Telephone Service	\$19,895	\$0	\$19,895
Chemical Latrines	\$42,336	\$0	\$42,336
Line Communication Services	\$0	\$0	\$0
Utilites Sub Total	\$1,836,540	\$0	\$1,836,540
GRAND TOTAL	\$17,810,975	\$14,264,614	\$3,546,361

Operation & Maintenance Costs - Tracked vehicles, IDARNG

Vehicle	Petroleum	Org Repair	Depot Level	Total	Number	Ave Miles	Cost per Vehicle	Total Cost	Local Expenditures
	Oil & Lubricants	Parts	Repairs	Cost Per Mile ⁴	of Vehicles ⁶	per Vehicle ^{4,5}			
	CLS III ¹	CLS IX ²	CLS IX ³						
	per mile	per mile	per mile						
M1 series tanks	\$19.85	\$130.99	\$132.41	\$283.24	53	150	\$42,487	\$2,251,791	\$112,023
Personnel and Equipment Carriers	\$0.96	\$6.58	\$1.66	\$9.20	74	180	\$1,656	\$122,554	\$9,402
Tracked Artillery (M88)	\$2.96	\$28.50	\$39.57	\$71.03	20	84	\$5,966	\$119,328	\$5,037
Bradley Fighting Vehicles	\$3.02	\$35.93	\$108.59	\$147.55	60	210	\$30,985	\$1,859,121	\$47,180
Recovery Vehicles	\$3.02	\$35.93	\$108.59	\$147.55	26	60	\$8,853	\$230,177	\$5,841
Tank Transporters	\$5.16	\$49.77	\$289.98	\$344.90	3	50	\$17,245	\$51,735	\$785
Tractors, bridges, loaders	\$2.96	\$28.50	\$39.57	\$71.03	23	50	\$3,551	\$81,683	\$3,448
TOTALS					259			\$4,716,388	\$183,717

Notes:

1. Petroleum, Oil & Lubricants all purchased through the Defense Logistic Agency. Assume 5% local trucking/delivery cost.
2. Organizational repair parts - brakes, track, parts replaced by local mechanics. Estimated 10% local parts & 90% through military channels.
3. Depot Level Repairable - Engines, transmissions, differentials. Major components rebuilt at depots 100% off site military facilities.
4. Mileage estimates based on FY2014 and some FY2017-18 data, costs adjusted to 2017 by GNP implicit price deflator.
5. Actual miles vary greatly due to deployments and training cycles
6. Statewide vehicle inventories from 2018 data.

Direct Impacts of IDARNG Operations Statewide

	Total	Local	Local	
	Expenditures	Labor	Materials & Services	Total Local Direct Impacts
Personnel	\$122,362,000	\$122,362,000		\$122,362,000
Cooperative Agreements	\$4,905,000	\$1,672,000	\$3,233,000	\$4,905,000
O&M Facilities	\$17,811,000	\$14,265,000	\$3,546,000	\$17,811,000
O&M - Wheeled Vehicles	\$2,107,000		\$108,000	\$108,000
O&M - Tracked Vehicles	\$4,716,000		\$184,000	\$184,000
O&M - Aircraft	<u>\$15,195,000</u>		<u>\$781,000</u>	<u>\$781,000</u>
TOTALS	\$167,096,000	\$138,299,000	\$7,852,000	\$146,151,000

Note: All estimates in 2017 \$

2017 IDARNG TOTAL IMPACTS

Total Economic Impacts, IDARNG Operations Statewide

Impact Type	Employment	Labor Income	Output
Direct Impacts	3,842	\$138,299,000	\$146,151,000
Indirect Impacts	1,851	\$39,684,000	\$70,576,000
Induced Impacts	2,219	\$40,431,000	\$72,787,000
Total Idaho Impacts	7,912	\$218,414,000	\$289,514,000
Multpliers (SAM Type II)	2.06	1.58	1.98

Source: Minnesota IMPLAN Group, Inc., 2016

Notes: Employment includes all full, part-time, and seasonal jobs in 3-county region.

All estimates in 2017 dollars.

2017 IDAHO AIR GUARD DIRECT IMPACTS

Category	Total Expenditures	Labor	Materials	Total Direct Impact
Personnel Salary, Allowances, & Benefits	\$72,462,000	\$72,462,000		\$72,462,000
Cooperative Agreements	\$1,119,000	\$168,000	\$951,000	\$1,119,000
Operations & Maintenance	\$3,928,000	\$499,000	\$3,397,000	\$3,896,000
Training Expenses	\$235,000		\$235,000	\$235,000
Vehicle Maintenance	\$75,000		\$75,000	\$75,000
Fuel	\$11,715,000		\$586,000	\$586,000
Visiting Unit Expenditures	<u>\$147,000</u>		<u>\$147,000</u>	<u>\$147,000</u>
TOTAL	\$89,681,000	\$73,129,000	\$5,391,000	\$78,520,000

2017 AIR GUARD TOTAL ECONOMIC IMPACTS

Idaho Air Guard Total Economic Impacts

Impact Type	Employment	Labor Income	Output
Direct Impacts	1,862	\$73,129,000	\$78,520,000
Indirect Impacts	877	\$22,167,000	\$38,228,000
Induced Impacts	1,026	\$40,283,000	\$37,739,000
Total Effect	3,766	\$135,579,000	\$154,487,000
Multipliers (SAM Type II)	2.02	1.85	1.96

2017 IDAHO MILITARY DIVISION DIRECT IMPACTS

Category	Total Expenditures	Labor	Materials	Total Direct Impact
Personnel Salary & Benefits	\$10,335,000	\$10,335,000		\$10,335,000
Military Mgt Operations & Maintenance	\$1,074,000	\$444,000	\$630,000	\$1,074,000
Office of Emergency Mgt O & M	\$1,627,000	\$816,000	\$811,000	\$1,627,000
Public Safety Communications O & M	\$1,180,000	\$192,000	\$988,000	\$1,180,000
Grant Programs	<u>\$11,151,000</u>	<u>\$5,202,000</u>	<u>\$5,949,000</u>	<u>\$11,151,000</u>
TOTAL	\$25,367,000	\$16,989,000	\$8,378,000	\$25,367,000

2017 IMD TOTAL ECONOMIC IMPACTS

Total Economic Impacts of the IMD by Program

Program	Total Impacts on Employment	Total Impacts on Labor Income	Total Impacts on Economic Output
Military Management	57	\$4,520,000	\$6,647,000
Bureau of Homeland Security	73	\$9,436,000	\$13,087,000
Public Safety Communications	40	\$4,841,000	\$7,687,000
Grant Programs	208	<u>\$6,675,000</u>	\$19,214,000
Volunteer Challenge	<u>83</u>		
Total Effect	461	\$25,472,000	\$46,635,000
Multitpliers (SAM Type II)	1.64	1.50	1.64

TOTAL COSTS OF PAST CONSTRUCTION

Construction Projects	Total Cost	Total Cost in 2017 \$
2008 TOTAL	\$8,146,645	\$9,510,842
2009 TOTAL	\$8,017,587	\$9,386,815
2010 TOTAL	\$17,555,898	\$20,573,578
2011 TOTAL	\$24,841,519	\$28,462,799
2012 TOTAL	\$1,381,578	\$1,551,290
2013 TOTAL	<u>\$38,962,000</u>	<u>\$42,775,007</u>
TOTALS FY2008-2013	\$98,905,227	\$112,260,330
AVERAGE FY2008-13, Nominal & Real	\$16,484,205	\$18,710,055

Note: Corrected for inflation using Producer Price Index (PPI)
for new industrial buildings.

RECENT CONSTRUCTION COSTS

Average Idaho National Guard Capital Investment

	Federal \$	State \$	Total	Materials	Labor
FY16-17 Average Repairs	\$4,372,149	\$837,621	\$5,209,770	\$2,413,366	\$2,796,404
FY16-17 Average Construction	<u>\$17,805,213</u>	<u>\$230,942</u>	<u>\$18,036,156</u>	<u>\$8,355,041</u>	<u>\$9,681,115</u>
TOTAL FY16-17 Ave. Capital Investment	\$22,177,000	\$1,069,000	\$23,246,000	\$10,768,000	\$12,478,000

Note: rounded to nearest \$1,000

IF AVERAGE CONSTRUCTION CONTINUES...

Total Economic Impacts, IDARNG Construction, FY2016-17 Real Average Actual Construction

Impact Type	Employment	Labor Income	Output
Direct Impacts	165	\$12,478,000	\$23,246,000
Indirect Impacts	59	\$4,674,000	\$7,098,000
Induced Impacts	79	\$4,530,000	\$8,501,000
Total Impacts, Idaho	304	\$21,682,000	\$38,845,000
Multitpliers (SAM Type II)	1.84	1.74	1.67

Source: Minnesota IMPLAN Group, Inc., 2017

Notes: Employment includes all full, part-time, and seasonal jobs in Idaho

All dollars estimates adjusted to 2017 \$ w PPI for new industrial building construction

OTHER NATIONAL GUARD BENEFITS

- ✖ Community Disaster & Emergency Assistance
- ✖ Education Benefits (\$524K Federal, \$190K state)
- ✖ Health Care & Other Employee Benefits
- ✖ Pension Benefits (To be analyzed soon)
- ✖ In-Bound Transportation (1,000s airline tickets)
- ✖ Community Volunteer Benefits
- ✖ Contributions to National Security (inc. deployments)

IMPACTS OF ADDITIONAL GUARD TRAININGS

Summary of Annual Training Impacts By Unit

Unit	Employment	Labor Income	Output	Present Value of 20 Years of Trainings
Armored Brigade Combat Team	9.0	\$541,000	\$1,283,000	\$19,090,000
Combined Arms Battalion	3.3	\$207,000	\$502,000	\$7,470,000
Armored Recon Regiment	1.9	\$120,000	\$290,000	\$4,310,000
Artillery Battalion	1.7	\$109,000	\$262,000	\$3,900,000
Attack Aviation Battalion	7.6	\$431,000	\$1,015,000	\$15,100,000
Medium Lift Company	1.7	\$95,000	\$223,000	\$3,320,000
Marine Tank Company	0.6	\$37,000	\$87,000	\$1,290,000

Notes:

1) Total direct, indirect, and induced economic impacts of annual training at 80% attendance.

2) One-time temporary impacts

3) Present value of 20 years of annual trainings beginning after a one year project construction period, discounted at 3%.

TOTAL DIRECT IMPACTS

Idaho National Guard Direct Economic Impacts

<u>Category</u>	<u>Total Expenditures</u>	<u>Labor</u>	<u>Materials</u>	<u>Total Direct Impact</u>
IDARNG	\$167,096,000	\$138,299,000	\$7,852,000	\$146,151,000
IDARNG Ave Construction	\$23,246,000	\$12,478,000	\$10,768,000	\$23,246,000
Idaho Air Guard	\$89,681,000	\$73,129,000	\$5,391,000	\$78,520,000
IMD Personnel Salary & Benefits	\$10,335,000	\$10,335,000		\$10,335,000
Military Mgt O & M	\$1,074,000	\$444,000	\$630,000	\$1,074,000
Office of Emergency Mgt O & M	\$1,627,000	\$816,000	\$811,000	\$1,627,000
Public Safety Comm O & M	\$1,180,000	\$192,000	\$988,000	\$1,180,000
Grant Programs	<u>\$11,151,000</u>	<u>\$5,202,000</u>	<u>\$5,949,000</u>	<u>\$11,151,000</u>
TOTAL	\$305,390,000	\$240,895,000	\$32,389,000	\$273,284,000

TOTAL ECONOMIC IMPACTS OF THE IDAHO NATIONAL GUARD

Total Economic Impacts of the Idaho National Guard

Impact Type	Employment	Labor Income	Output
Direct Impacts	5,953	\$240,895,000	\$273,284,000
Indirect Impacts	2,156	\$68,896,000	\$123,856,000
Induced Impacts	3,245	\$91,711,000	\$132,127,000
Total Effect	11,354	\$401,502,000	\$529,267,000
Multpliers (SAM Type II)	1.91	1.67	1.94
% of Idaho Economy	1.21%	1.26%	0.32%

Rough Estimate of Idaho Tax Revenues

= 5% of Labor Income

= \$20.1 million

vs \$6.48 million ID G.A. funding for IMD & IDNG

TOTAL ECONOMIC IMPACTS OF IDNG BY PROGRAM

Total Economic Impacts of the IDNG by Program

Program	Total Impacts on Employment	Total Impacts on Labor Income	Total Impacts on Economic Output
ID Army National Guard	7,912	\$218,414,000	\$289,514,000
IDARNG Construction	304	\$21,682,000	\$38,845,000
Idaho Air Guard	3,766	\$135,579,000	\$154,487,000
ID Military Division	<u>461</u>	<u>\$25,472,000</u>	<u>\$46,635,000</u>
TOTAL IMPACTS	12,443	\$401,147,000	\$529,481,000



TOTAL IDNG PERSONNEL IN 2017

FY2017 IDNG Statewide Combined Personnel Budget

Type	Number	Total Wages, Allowances & Benefits
State Technician	317	\$20,679,000
Federal Technician	901	\$66,171,000
Federal Contract Employees	74	\$4,319,000
Non-Appropriated Fund Employees (NAFE)	63	\$636,000
Civilian Sub-Total	1,355	
Active Duty Special Work (ADSW) and Active Guard and Reserve (AGR)	743	\$50,040,000
Mobilized Traditional Soldier (M-Day Mob)	46	\$3,143,000
Traditional Soldier Not Mobilized (M-Day) and Traditional Soldier Active Duty for Training (ADT)	3,644	\$56,478,000
Military Sub-Total	4,433	
TOTAL JOBS	5,788	\$201,466,000
TOTAL PERSONNEL	5,142	

IDAHO NATIONAL GUARD LIKELY IDAHO'S 4TH LARGEST EMPLOYER!

TOP PUBLIC & PRIVATE BUSINESSES IN IDAHO*

RANK	PRIMARY NAME	EMPLOYMENT RANGE*	INDUSTRY
1	ST LUKES HEATH SYSTEMS	13,000+	HEALTH CARE
2	WALMART	7,000+	RETAIL TRADE
3	MICRON TECHNOLOGY, INC	6,000+	MANUFACTURING
4	BYU-IDAHO	5,000+	EDUCATION - PRIVATE
5	BOISE STATE UNIVERSITY	5,000+	STATE GOVERNMENT - EDUCATION
6	ST ALPHONSUS HEALTH SYSTEM	5,000+	HEALTH CARE
7	UNIVERSITY OF IDAHO	4,000+	STATE GOVERNMENT - EDUCATION
8	WEST ADA SCHOOL DISTRICT #2	4,000+	LOCAL GOVERNMENT - EDUCATION
9	BATTELLE ENERGY ALLIANCE LLC	4,000+	PROFESSIONAL & TECHNICAL SERVICES
10	ALBERTSONS LLC	3,000+	RETAIL TRADE

*NOTE: Not all companies are listed, affecting the rank order. Only employers that have given the Department permission to release employment range data are listed.

SOURCE: Quarterly Report of Employment & Wages: Annual Average 2017

Idaho Department of Labor, Communications & Research

August 3, 2018

Idaho National Guard Total Employment = 5,788

WHAT'S THE CATCH?

- ✖ 63% of IDNG employees are traditional, part-time employees, working 63 days per year.
- ✖ So total payroll is much smaller than the others
- ✖ DO NOT CONCEDE ANYTHING!
 - + These are important second paychecks that help balance the household budgets of 3,644 families!
 - + The \$ helps keep Moms at home, pays for mortgages, &/or puts kids through college
 - + Education benefits help both soldiers & their kids
 - + Ultimately contributes a stream of retirement income
 - + All this, plus the soldier serves their country, defends the nation, and responds to disasters

DP-58 TOTAL ANNUAL IMPACTS = ADDED OPERATIONS + ADDED TRAININGS

- ✖ Total annual economic impacts of DP-58:
 - + 879.3 additional part-time, full-time, or seasonal jobs
 - + \$42,872,000 additional labor income
 - + \$77,250,000 additional economic output
- ✖ Plus one-time construction impacts of 11,614 jobs, \$475 MM labor income, & **\$1.5 billion** in economic output
- ✖ State of Idaho gains \$23.76 million in additional one-time tax revenue from construction, plus an added \$2.1 million annually from operations

CONCLUSIONS

- This study was done by industry standards and uses conservative assumptions.
 - Dr. Harris is among the best in West with IMPLAN and regional economic analysis.
 - Dr. Gardner carefully tracked spending streams and identified local expenditures as direct benefits.
- IDNG is a major employer and a significant part of the Idaho economy.
- IDNG wages are a stabilizing force in many households and the economy.
- IDARNG accounting is highly fragmented. This means:
 - Difficult to document the Nat'l Guard story.
 - Likely that few know of size of facilities or the impact on the community.
- You now have a powerful tool to tell your story and to analyze potential changes. I will help where I can.
- The public will be interested in the National Guard story.
- The model can be updated relatively easily.

Questions? Comments?



THANK YOU!

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